

Presentation to King County Council GAO Committee

2010 EMS Levy Financial and Compliance Audit



King County Auditor's Office

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Presentation Outline

- Conclusions
- Background
- Audit Objectives
- Findings and Recommendations
- Summary of Executive Response



Conclusions

- EMS financial operations were consistent with Council-adopted 2010 EMS Levy policies and financial plans.
- Sufficient EMS Levy funding is available to cover dispatch cost increases during levy cycle through 2013.
- Greater transparency needed for dispatch costs:
 - Communications protocols could help ensure common understanding of EMS dispatch costs.
 - Improved documentation of dispatch costs reimbursed by the EMS Levy.



Background

- Third annual EMS audit, as mandated by Ordinance 15862.
- Voter-approved 2008 to 2013 EMS Levy provides \$63 million annually for:
 - Advanced life support (ALS) services
 - Basic life support (BLS) services
 - Regional support services
 - Strategic initiatives



Background (cont.)

- Private dispatch agencies serve as traditional access point for EMS services. Two major dispatch providers in King County:
 - Valley Communications Center (Valley Com).
 - North East King County Regional Public Safety Communications (NORCOM).
- Respond to 85 percent of emergency medical calls in King County.



Audit Objectives

- Review EMS Division management of the 2010 EMS Levy revenues and expenditures.
- Review use of restricted and designated EMS Levy funds.
- Determine whether dispatch fee schedules established by the independent dispatch agencies were reasonable and based on an acceptable cost methodology.

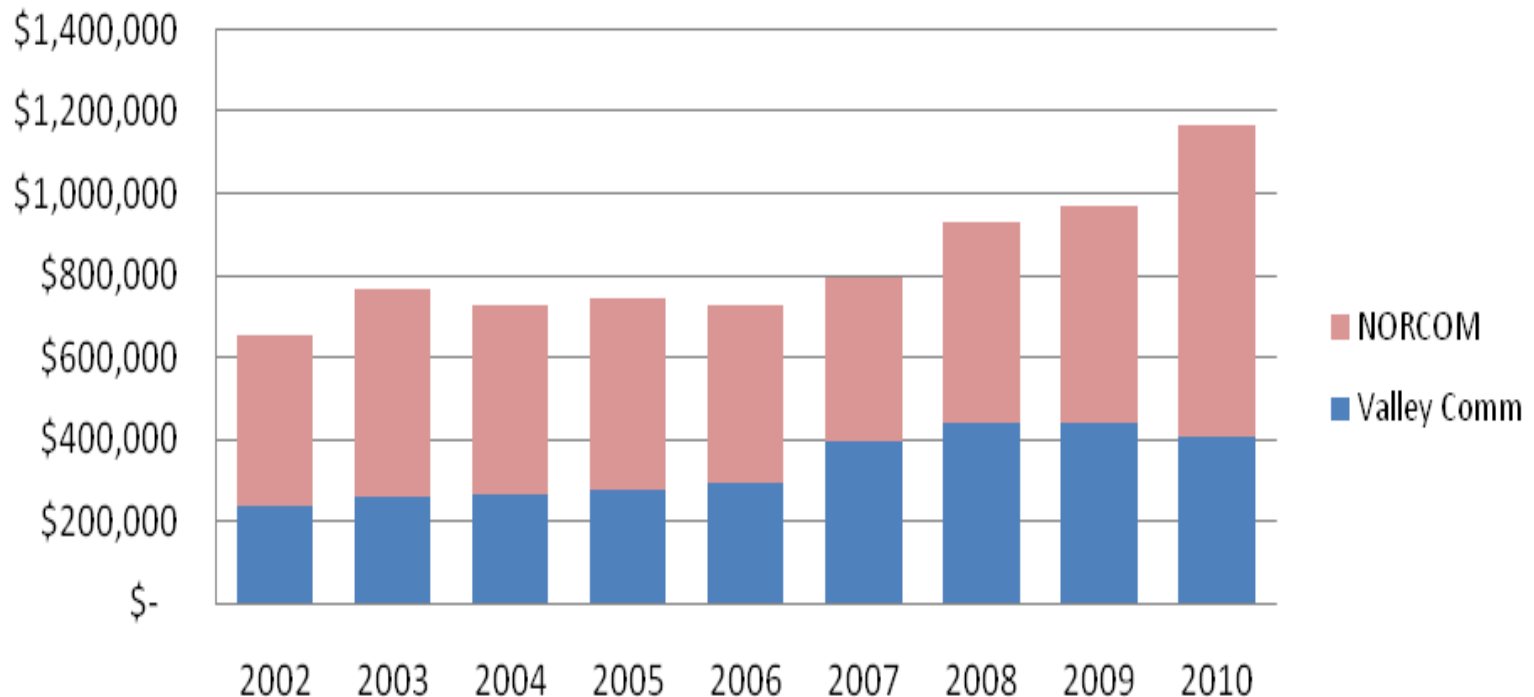


Finding 1

- EMS managed its financial activities in accordance with the 2010 Council-adopted EMS Levy financial plan and policies.
- 2010 EMS Levy ending fund balance was \$12.6 million higher than adopted budget and well above required ending fund balance.
- Millage reduction reserve reduced by \$4.6 million to fund other reserve accounts.

Finding 2

- Dispatch fees will double by end of current levy, from \$652,013 in 2002 to an estimated \$1.2 million by 2013.





Finding 2 (cont.)

- Although dispatch fees were higher, they were based on acceptable cost allocation practices.
- EMS Division responded effectively to significant cost increases to continue full funding of ALS unit costs, including dispatch service costs.



Finding 3

- NORCOM's EMS/Fire suppression cost per call was almost twice as high as its police call rate.
- A true measure of level of effort analysis could result in more precise allocation of dispatch expenses for EMS/Fire suppression and police dispatch services.



Finding 3 (cont.)

COMPARISON OF 2010 DISPATCH SERVICE AND COSTS

Dispatch Agency	Unit Costs	Percent of Total Costs Allocated
Fire Suppression Dispatch Services		
NORCOM	\$72.66	100%
Valley Com	\$27.67	100%
Dispatch Services—Both ALS and BLS Units Dispatched		
NORCOM	\$36.33	50% for ALS
NORCOM	\$36.33	50% for BLS
Valley Com	\$55.34	100% each or \$27.67 for ALS and for BLS
EMS Dispatch Services—Only BLS Unit Dispatched		
NORCOM	\$72.66	100%
Valley Com	\$27.67	100%
Police Dispatch Services		
NORCOM	\$36.63	100%
Valley Com	\$27.67	100%



Finding 4

- EMS Division lacked adequate documentation for reimbursement of dispatch services.
- EMS Division unable to verify types and levels of dispatch services provided based on invoices.



Finding 5

- EMS Division has not developed EMS call answering and dispatch time productivity standards and does not receive performance information from EMS dispatch agencies.
- Time productivity standards and performance information could be useful in analyzing level of effort and developing a more precise cost allocation methodology for emergency dispatch services.



Recommendations

- The EMS Division should:
 - Establish a communications protocol with dispatch agencies to fully understand dispatch costs allocated to EMS providers;
 - Require itemized invoices from the dispatch agencies to clearly show the expenses for ALS services; and
 - Regularly review ALS dispatch invoices to verify that amounts billed are consistent with services received and use this information for the dispatch reserve analysis.



Recommendations (cont.)

- The EMS Division, in collaboration with the dispatch agencies, should develop timeliness (productivity) standards for EMS dispatch services.
- The EMS Division should also consider incentivizing the implementation of productivity standards through the EMS Levy funded strategic or regional initiatives to promote compliance, and quarterly reporting of performance consistent with ALS Dispatch Performance Standards.



Summary of Executive Response

- The County Executive concurred with the audit findings and recommendations.
- EMS Division plans to implement audit recommendations by September 2012.



Acknowledgements

- The Auditor's Office sincerely appreciates the cooperation received from the EMS Division management and staff, and the expertise provided by Steve Miller of Miller & Miller, P.S. during the annual EMS audit.



Questions/Comments

- The Auditor's Office staff, KCAO's EMS Levy financial consultant Steve Miller, and EMS Division Director James Fogarty are here today to respond to any Council questions or comments on the 2010 EMS Levy Financial and Compliance Audit.